300.09 ASSETS VS RESOURCES

Not everything a person owns (assets) are resources for Medicaid purposes. As previously indicated, a resource is cash or other real or personal property that an individual (or spouse, if any):

1. Owns,
2. Has the right, authority or power to convert to cash, (if not already cash),
3. Is not legally restricted from using for his support or maintenance.

However, in certain situations, an asset that is not a resource may become one at a later date or vice versa. The distinction is important since:

- An asset that is not a resource does not count against the resource limit (while a resource may count); and

- Proceeds from the sale or trade of a resource, i.e., the amount representing conversion of principal from one form to another, are also resources; however, what a person receives from a non-resource is subject to evaluation as income at the time of receipt.

Example: An individual is the beneficiary of a trust which is not his resource. Therefore, when the trust pays him his monthly allowance, he receives income.

300.09.01 RESOURCES WITH ZERO VALUE

Property does not cease to be a resource simply because it has no current market value. Even though there is no value to count, the property remains a resource for as long as it meets the definition of a resource.

If the property develops market value at a later time, this will be an increase in the value of a resource rather than receipt of income.

300.09.02 PROPERTY THAT IS NOT A RESOURCE

Any property (asset) that does not meet the above definition of a resource is not a resource, e.g., an individual who has an ownership interest in property, but is not legally able to transfer that interest to anyone else does not have a resource.

Property That is Not a Resource (Continued)

Example: An individual owns a block of stock with his brother. Although the form of ownership is one which would permit either to sell the property without the other's consent, the brothers have a legally binding agreement that one will not sell without consent of the other.

The individual's brother refuses his consent, making the stock a non-resource for the individual. If the brother subsequently agrees to sell, the stock would be evaluated under resource-counting rules beginning with the month following the month of consent. The value of the stock would **not** be counted as income to the individual in the month consent is given.